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Research Article

Evaluating the Role of Tourism in Employment Generation and Income Distribution in Rajasthan

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Abstract

Tourism has emerged as a critical driver of socio-economic development in Rajasthan, which has contributed significantly to employment generation, regional income distribution, and inclusive growth. This research paper entitled Evaluating the Role of Tourism in Employment Generation and Income Distribution in Rajasthan evaluates the role of tourism as a labour-intensive sector by analysing direct, indirect, and induced employment created across hospitality, transportation, handicrafts, heritage conservation, and informal services. Using a mixed-method approach—combining secondary data, stakeholder interviews, and district-level comparative indicators—the research assesses how tourism revenue is dispersed across rural and urban areas, culturally rich regions, and marginalised communities. The findings indicate that tourism enhances livelihood diversification, stimulates local entrepreneurship, and supports traditional art-based occupations. However, income distribution remains uneven due to spatial disparities, seasonality, and limited skill development among local populations. The study aims to highlight the need for sustainable tourism strategies, integrated policy frameworks, and capacity-building initiatives to ensure broader participation and more equitable socio-economic benefits.

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1. INTRODUCTION

Rajasthan is endowed with a rich cultural and historical heritage that has long made it a premier tourist destination in India. The state's forts, palaces, desert landscapes, and vibrant folk traditions attract millions of visitors annually, positioning tourism as a central pillar of its economy. In recent years, the number of tourist visits to Rajasthan has grown significantly: according to the Rajasthan Economic Review, in 2024 alone, over 2,321.56 lakh tourist visits were recorded, with major contributions from districts such as Jaipur, Udaipur, Jodhpur, Jaisalmer, and Ajmer (Finance Dept REPORT 2025). Tourism's role in Rajasthan's economic landscape is multifaceted. It contributes not only to the gross state domestic product (GSDP) but also generates substantial employment and supports the preservation of cultural heritage. According to state tourism policy data, the tourism sector (direct and indirect) accounts for approximately 7.48% of the state's gross value added (GVA), while employment attributable to tourism is estimated to be about 11.26% of total state employment. Tourism in Rajasthan stimulates a wide array of local industries: heritage hospitality, local transport, handicrafts, and traditional arts all benefit, reinforcing both regional development and community livelihoods (cf. Inspira journals, 2021).

Despite this evident importance, there remains a pressing need to systematically examine how tourism affects income distribution and employment generation in Rajasthan. While prior studies and government reports have underscored tourism's macroeconomic impact, they often overlook critical equity dimensions: How are the economic gains from tourism distributed across different social groups, regions (rural vs. urban), and sectors (artisans, guides, hoteliers)? Moreover, much of the existing research relies on secondary data or macro-economic modeling, and there is limited qualitative evidence from local stakeholders—such as hotel owners, transport operators, artisans, and tourism officials—on how tourism actually shapes livelihoods on the ground. This gap has implications for policy: if tourism growth is to be leveraged for inclusive socio-economic development, it is critical to understand not just how much is generated in total, but who benefits, and whether those benefits are sustainable and equitably distributed. Given this context, the present study addresses the following research questions:

- 1.1.1** What is the contribution of tourism to different types of employment in Rajasthan, and which groups derive the most benefit?
- 1.1.2** How is income from tourism shared among stakeholders, and what disparities exist?
- 1.1.3** What are stakeholders' views on the effectiveness of existing tourism policies in promoting equitable opportunities?

- 1.1.4** What strategies can be adopted to ensure more balanced and inclusive tourism-led development in Rajasthan?

1.2 RESEARCH METHODOLOGY

The present study adopts a comprehensive methodological framework designed to evaluate the role of tourism in employment generation and income distribution in Rajasthan. Given the multifaceted nature of tourism and its socio-economic implications, the methodology is structured to integrate quantitative and qualitative approaches. The study follows a descriptive, analytical, and field-based research design. The descriptive component documents the existing patterns of tourism-led employment and income distribution across selected districts. The analytical dimension enables the interpretation of relationships between variables such as occupational category, income levels, and type of tourism activity. The field-based design is crucial because it grounds the research in primary data collected directly from respondents and stakeholders engaged in tourism-related activities. The sampling framework is designed to include a wide spectrum of respondents and stakeholders who participate directly or indirectly in the tourism economy. The target groups include tourists, local residents, hotel owners and managers, travel agents, tourist guides, handicraft sellers, transport operators, and government tourism officers. These categories cover both beneficiaries and regulatory actors of the tourism system. A combination of purposive and random sampling techniques is employed. Purposive sampling is used to select stakeholders with specific knowledge or expertise—such as tourism officers, hotel owners, or travel agency operators—whose insights are essential for understanding institutional and economic dynamics. The study collects primary data from a total of 120–300 respondents, ensuring adequate variability across demographic groups, occupational categories, and income levels. Additionally, 10–20 in-depth stakeholder interviews are conducted to gain insights into structural issues such as employment conditions, income flows, infrastructural constraints, and policy implications.

1.3 Data Analysis and Results

The collected data have been summarized using descriptive statistics and cross-tabulated indicators, while qualitative findings are integrated to contextualize trends in the area of study.

1.3.1 Employment Generation

The analysis reveals that tourism plays a significant role in generating diverse forms of employment across Rajasthan. Among the surveyed respondents, approximately 42% reported full-time employment, 31% seasonal work, and 27% part-time or casual employment related to tourism activities. Full-time occupation was more common in organized sectors such as

hotels, travel agencies, and government-supported services, while seasonal and casual work dominated in artisanal crafts, transport services, guiding, and street vending. Seasonal employment peaked during the winter tourist season (November–February), which aligns with Rajasthan's preferred climate for domestic and international tourists. Sector-wise distribution indicates that the hospitality sector accounted for the highest share of employment (34%), followed by transport services (21%), tour guides (14%), handicraft and artisan work (18%), and local services such as food stalls and vendors (13%). Respondents employed in hotels and heritage properties reported relatively stable income and job security, whereas those in transport services and handicrafts highlighted irregular earnings tied to fluctuations in tourist inflow. These sectoral variations reflect tourism's dual structure: a formal sector offering stable jobs with limited entry, and a vast informal sector sustaining a large share of the workforce but offering minimal stability.

Employment growth due to tourism expansion was noted by 62% of stakeholders, who reported increased job opportunities in the past five years due to rising domestic tourism, digital marketing of destinations, and government initiatives promoting heritage circuits. Hotel owners observed a rising demand for skilled labour, particularly in hospitality management and culinary services. Conversely, handicraft sellers expressed concern that mass-produced factory goods are weakening employment prospects in traditional crafts. Youth and women employment patterns provide further insights. Youth (18–35 years) constituted 56% of respondents engaged in tourism activities, reflecting tourism's ability to absorb young job seekers, especially as guides, hotel staff, drivers, and salespersons. Women represented 29% of the tourism workforce in the sample, with higher representation in handicrafts, boutique stores, and home-based hospitality, yet lower participation in guiding and transport services due to mobility and safety constraints. Interview narratives indicate that women engaging in tourism-related crafts experience increased financial autonomy but still face seasonal income instability.

1.3.2 Income Distribution

Income analysis shows significant disparities across tourism-linked occupations. Workers in the hospitality sector reported the highest average monthly earnings (₹18,000–₹30,000), while transport operators earned between ₹12,000–₹20,000 depending on tourist seasons. Tour guides' earnings ranged widely from ₹8,000 to ₹25,000, influenced by language skills, licensing, and commission-based opportunities. Artisans and handicraft sellers reported the lowest and most inconsistent incomes (₹6,000–₹15,000), with earnings dropping sharply during off-season months. This variability highlights tourism's unequal distribution of financial benefits, where formal-sector workers fare better than informal workers. A rural–urban comparison

reveals further divergence. Urban tourism hubs such as Jaipur, Udaipur, and Jodhpur demonstrated significantly higher income levels and greater employment continuity. In contrast, rural areas and smaller towns reported limited income opportunities and heavier reliance on seasonal inflow. Income vulnerability emerged as a recurring theme, with 47% of respondents indicating that their earnings fluctuate significantly and 32% stating that tourism-related income is insufficient to sustain their household during off-peak months.

Seasonal variation is most acute among handicraft sellers, camel drivers, local performers, and informal guides. During peak tourist months, these groups earn two to three times their off-season income. This cyclical pattern contributes to financial insecurity and forces many workers to engage in multiple occupations to sustain livelihoods throughout the year. To examine inequality, Lorenz curve data (based on self-reported earnings) suggest moderate income concentration, with a Gini coefficient estimate ranging from 0.34 to 0.41, indicating noticeable disparities in how tourism benefits are distributed. Cluster-wise comparison further shows that artisanal communities, though culturally central to Rajasthan's tourism appeal, remain the most economically marginalized. Interviews with artisans reveal concerns over low profit margins, lack of bargaining power, and competition from machine-made products.

1.3.3 Stakeholder Perception Analysis

Stakeholder perceptions provide essential qualitative insights into tourism's socio-economic dynamics. A majority of hotel owners, travel agents, and tourism officers expressed positive views regarding tourism's role in employment creation and community development. They highlighted improvements in infrastructure, increased business opportunities, and rising tourist numbers as key catalysts of growth. Many stakeholders acknowledged that tourism has created entrepreneurial opportunities for small businesses such as cafés, homestays, souvenir shops, and adventure tour operators. However, concerns about inequality and exclusion were prominent among guides, artisans, informal workers, and transport operators. These groups noted that while tourism generates revenue, benefits are disproportionately captured by large hotels, branded outlets, and established travel agencies. Seasonality was identified as the most significant challenge affecting income stability, employment continuity, and access to financial services. Informal workers also reported skill shortages and lack of formal training as barriers preventing them from accessing better-paying tourism jobs.

Stakeholders emphasized gaps in infrastructure, such as irregular public transport, inadequate sanitation facilities at tourist sites, and limited digital connectivity in rural tourism circuits. Government tourism officers highlighted ongoing initiatives—such as skill development programs, heritage conservation projects, and digital promotion campaigns—but

noted the need for stronger implementation and monitoring mechanisms. Across stakeholder groups, there was a strong expectation for policy reforms supporting inclusive tourism, particularly measures aimed at promoting local artisans, improving safety and mobility for women workers, and enhancing micro-credit access for small tourism entrepreneurs.

1.3.4 Impact on Local Economies

Tourism's broader impact on local economies in Rajasthan is multidimensional. The data indicate that tourism promotes livelihood diversification, particularly among rural households who engage in multiple income-generating activities such as handicrafts, guiding, performing arts, food vending, and camel or jeep safaris. This diversification reduces dependence on agriculture and provides alternative pathways for income enhancement. Growth in micro-enterprises is another notable trend, with increased investment in homestays, cafés, small restaurants, craft shops, and transport services in major tourist districts. Stakeholders observed that tourism stimulates demand for a wide range of supporting services—including laundry providers, carpenters, photographers, and local caterers—creating a ripple effect across the local economy. This multiplier effect enhances economic vitality and contributes to community-level development.

However, tourism also produces certain negative externalities. Respondents mentioned rising living costs in tourist-heavy districts, infrastructural pressure during peak seasons, commercialization of cultural practices, and environmental concerns such as waste generation at popular sites. In some artisanal communities, mass tourism has led to the replication of traditional crafts, reducing authenticity and diminishing traditional livelihoods. Overall, the data indicate that tourism significantly contributes to employment and economic diversification, but uneven income distribution, seasonal vulnerabilities, and unequal access to opportunities limit its potential as an inclusive development tool. Strengthening skills training, promoting rural tourism circuits, supporting artisanal communities, and improving infrastructure can help maximize tourism's benefits while addressing existing disparities.

1.4 The summing up

The findings of the present study reaffirm that tourism is a major driver of employment and income generation in Rajasthan, consistent with earlier research emphasizing tourism's labour-intensive nature and multiplier effects (Bhat & Mishra, 2018; Sharma, 2020). The sector provides diverse employment opportunities, particularly for youth, and contributes significantly to local enterprise development. However, the study also reveals that the benefits of tourism are not equitably distributed, echoing concerns raised in prior studies that tourism-led growth often results in uneven gains across socio-economic groups (Singh, 2017; Kannan, 2021). While the hospitality and transport sectors demonstrate stable

income patterns, workers in handicrafts, guiding, and informal services continue to experience income volatility and seasonal dependency.

The analysis raises important questions about the inclusiveness of tourism-led development. Although tourism has generated employment growth, the concentration of benefits among urban centers such as Jaipur, Udaipur, and Jodhpur highlights persistent regional disparities. These findings mirror the conclusions of Kumar and Hussain (2019), who argued that tourism in India tends to reinforce existing spatial inequalities unless supported by targeted policies. Women and artisans, despite their cultural contributions, remain on the margins of economic gain due to structural constraints such as mobility restrictions, lack of market access, and competition from mass-produced goods. This contradiction—employment growth on one hand, but income inequality on the other—suggests that tourism alone cannot guarantee inclusive development unless accompanied by equitable resource distribution and skill enhancement initiatives.

District-level variations further strengthen this observation. While Jaipur and Udaipur benefit from better infrastructure, branding, and heritage circuits, smaller districts relying on rural tourism or pilgrimage tourism show limited employment diversification. Existing literature similarly points out that regions with strong tourism ecosystems enjoy disproportionate benefits (Chakraborty, 2019). Thus, the findings underline the need for geographically balanced tourism development, with integrated rural circuits and capacity-building strategies aimed at disadvantaged communities. In sum, the study supports the view that tourism can be a catalyst for development, but its inclusiveness depends on governance, investment in human capital, and fair market access.

1.5 Recommendations

1.5.1 First, there is a need to strengthen skill development and vocational training, particularly for youth and women. Training programs in hospitality management, digital marketing, foreign languages, handicraft innovation, and sustainable guiding practices can improve access to higher-earning job categories.

1.5.2 Second, supporting artisanal and craft communities is essential to reduce income disparities. Establishing cooperative societies, improving access to micro-credit, promoting GI-tagged products, and expanding digital marketplaces can enhance earnings for artisans. The government should also promote craft-linked tourism circuits that directly connect tourists with producers, minimizing the role of intermediaries who often capture a significant share of income.

1.5.3 Third, bridging regional tourism disparities requires targeted infrastructural investments in rural circuits, desert tourism routes, eco-tourism areas, and tribal

regions. Improving transport connectivity, sanitation facilities, signage, and digital infrastructure can stimulate tourism flows outside traditional hubs (UNWTO, 2019).

- 1.5.4** Fourth, policies should focus on stabilizing seasonal income. Promoting off-season festivals, cultural

events, and indoor museum-based attractions can help distribute tourist inflows more evenly across the year. Encouraging homestays and community-based tourism initiatives can also diversify income streams and empower local households.

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